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GREETING CARD AND RELATED OPERATIONS WORK PLAN AND PROPOSED BUDGET FOR THE EIGHT-MONTH PERIOD 1 MAY TO 31 DECEMBER 1997

SUMMARY

This document presents the Greeting Card and related Operations (GCO) work plan and proposed budget for the eight-month period 1 May to 31 December 1997.

Chapter I, Overview, presents an introduction, policy issues, consolidated income and expenditure projections for 1997, and human resources.

Chapter II, Director's Office, presents objectives, strategies and analysis of 1997 proposed budget.

Chapter III, Product Line and Marketing, presents an introduction, objectives, strategies, a review of the Central and Eastern European National Committees Development Programme and of the Market Development Programme, and analysis of 1997 proposed budget.

Chapter IV, Private Sector Fund-raising, presents an introduction, objectives, strategies, a review of the Fund-raising Development Programme and analysis of 1997 proposed budget.

Chapter V, Operations and Finance, presents an introduction, objectives, strategies and analysis of 1997 proposed budget.

Chapter VI, Regional support centres and UNICEF field offices, presents an introduction, objectives, strategies and analysis of 1997 proposed budget.

Chapter VII, Medium-term plan, 1998-2001, presents planned income and expenditures.

Chapter VIII contains the draft recommendations for Executive Board approval relating to the GCO budget for the eight-month period 1 May to 31 December 1997.

* E/ICEF/1997/13.

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I. OVERVIEW

A. Introduction

1. In 1996, the Executive Director engaged Coopers and Lybrand Consulting (C&L) to conduct a six-month study of Greeting Card and related Operations (GCO) product sales as a follow-up exercise to the management review recommendations on GCO (E/ICEF/1995/9/Rev.1, decision 1995/25, paragraph 2 (c)).

2. The major recommendations provided by C&L are:

(a) To further develop the brand, at a global level;

(b) To focus on a few markets with the highest current potential;

(c) To streamline the card and product line;

(d) To improve performance in key distribution channels;

(e) To restructure the organization and augment skills;

(f) To simplify key business processes;

(g) To clarify roles and relationships (headquarters versus National Committees/UNICEF field offices).

3. During the last quarter of 1996, GCO has started initiatives along the lines of the C&L recommendations.

4. In 1997, GCO will pursue a refocused mission, to raise the maximum possible funds for UNICEF programmes worldwide. This goal will be approached by introducing most of the C&L recommended concepts (see chapter III for details) and by maximizing the synergy between the product line and marketing and the private sector fund-raising areas.

5. Another important objective for 1997 is to develop the future GCO structure, taking into consideration the C&L conclusions, and recommend a GCO headquarters office location and related organizational, financial and human resource plans to be presented to the UNICEF Executive Board at its first regular session in January 1998.

6. At the Annual Meeting of National Committees in May 1996, it was agreed to move towards establishing a clearer definition of accountabilities and responsibilities between UNICEF and National Committees. To this end, National Committees and UNICEF were to carry out joint work planning and budget preparation, including "needs-based budgeting". As a test, GCO, in conjunction with the UNICEF Office for Europe in Geneva, will work with a few National Committees to initiate the process.

7. Pursuant to Executive Board approval of the change in the GCO fiscal year from 1 May-30 April to 1 January-31 December (E/ICEF/1996/12/Rev.1, decision 1996/22 C.5), the GCO 1997 fiscal period consists of only eight months, 1 May to 31 December 1997. Therefore, the present document includes the GCO work plan and proposed budget for this eight-month period.

8. The significant strengthening of the United States dollar, especially in key markets, has negatively impacted GCO overall 1996 income. Based on the latest estimates, GCO consolidated net income for 1996 is estimated at $250.5 million ($156.7 million for general resources and $93.8 million for supplementary funds), a decrease of 1.7 per cent when compared to the 1995 actual.

9. In 1996, GCO suspended the migration from its WANG VS computer software to another platform. This decision was taken to ensure that GCO formed part of an integrated software solution for UNICEF. GCO-specific needs were part of the consolidated UNICEF requirements which formed the basis for the selection of the new platform.

B. Policy issues

10. GCO proposes the review and approval of the following policy issues:

(a) Key markets and non-key markets. A focused market review will be carried out to classify non-key markets and determine various diminishing levels of GCO support in servicing those markets. GCO will present its recommendations to the UNICEF Executive Board at its January 1998 regular session;

(b) Market Development Programme (MDP). For 1997, GCO proposes to continue MDP with a budget of $3.0 million, which is $1.0 million less than the 1996 approved budget. Investments for 1997 will be more focused on projects that were previously successful and provide a high return on investment;

(c) Fund-raising Development Programme (FDP). For 1997, GCO proposes to continue FDP with a budget of $7.8 million (the same as 1996). FDP will be used to finance promising initiatives in key markets such as France, Japan and the United States;

(d) GCO fiscal year change. Due to the change in the GCO fiscal year, the financial results in the GCO annual financial report will be reported based on estimated results. On receipt of the final sales reports from partners, the sales results will be actualized and the necessary adjustments reflected in the following years' financial report;

(e) Advance authorization to print cards and acquire products for the following fiscal year. Because of the GCO business cycle, production timing and international distribution, GCO starts producing and purchasing products approximately one year before the actual sales campaign. In this respect, the Executive Director requests the advance authorization of the Executive Board to incur expenditures related to the cost of goods delivered for the following year.

C. Consolidated income and expenditure projections for 1997

11. Both gross proceeds from product sales and private sector fund-raising income are projected for a 12-month period consistent with prior years (1 January-31 December). Since the cost of goods is directly related to gross proceeds, it is also estimated for 12 months. All other expenses proposed for 1997 are for an eight-month period.

12. As indicated in table 1, the GCO net consolidated income for 1997 is projected at $274.9 million ($177.6 million for general resources and $97.3 million for supplementary funds), an increase of $24.4 million (9.7 per cent) over the 1996 latest estimates and $20.0 million (7.8 per cent) more than the 1995 actual. The net operating income - general resources of $177.6 million - comprises income from greeting card and other products of $82.9 million and from private sector fund-raising of $106.8 million, which is offset by non-operating expenses of $12.1 million.

13. Consolidated expenditures for 1997 as summarized in table 2 are projected at $85.3 million. These expenditures include the costs related to Product Line and Marketing ($55.2 million) and Private Sector Fund-raising ($7.9 million), the operating costs of the Director's Office ($0.3 million) and the Operations and Finance Group ($9.8 million), and other non-operating expenses ($12.1 million). This represents a decrease of $11.7 million (12.1 per cent) when compared with the 1996 latest estimates. The decrease is attributable to a lower level of expenditures by $11.1 million due to the shorter fiscal period combined with:

(a) A decrease in non-operating costs by $1.8 million;

(b) A decrease in costs by $0.8 million due to the transfer of the Special Projects Section and the Celebrity and Events Units (including 11 posts), to the Division of Communication;

(c) A decrease in computer-related costs by $0.2 million due to a "freeze" on the computer migration project previously planned to be carried out by GCO;

(d) A decrease in house list appeal costs of UNICEF field offices by $0.1 million;

(e) A decrease in depreciation costs by $0.2 million due to the write-off of lease-hold improvements after the GCO office move in New York to UNICEF House;

(f) An increase in direct production costs of $1.4 million, of which $0.8 million is due to product mix and $0.6 million to higher sales volume;

(g) An increase in research and development costs of $0.6 million for new initiatives;

(h) A mandatory salary increase of $0.5 million;

(i) An increase in rental and office maintenance costs of $0.2 million at UNICEF field offices.

Table 1. GCO income statement - 1995 actual, 1996 budget, 1996 latest estimates and 1997 proposed budget

(In millions of United States dollars)

	1995 Actual a/	%	1996 Budget a/	%	1996 Latest estimates	%	1997 Proposed b/	%	Variance 1997 vs. 1996 Latest estimates $	Variance 1997 vs. 1996 Latest estimates %
PRODUCT LINE AND MARKETING										
Gross proceeds	166.5	100.0	174.0	100.0	168.5	100.0	174.0	100.0	5.5	3.3
Less: Commissions (including retention)	37.3	22.4	39.7	22.8	38.4	22.8	40.4	23.2	2.0	5.2
Net proceeds	129.2	77.6	134.3	77.2	130.1	77.2	133.6	76.8	3.5	2.7
Less: Cost of goods delivered	35.5	21.3	42.5	24.4	41.9	24.9	41.3	23.7	(0.6)	(1.4)
Operating costs	13.9	8.3	14.8	8.5	14.3	8.5	11.4	6.6	(2.9)	(20.3)
Allocated operating costs	6.1	3.7	7.8	4.5	8.0	4.7	5.5	3.2	(2.5)	(31.3)
Provision for doubtful accounts	0.5	0.3	-	0.0	-	0.0	-	0.0	-	-
Add: Other income - net	8.3	5.0	7.5	4.3	7.5	4.5	7.5	4.3	-	-
Net operating income - Product Line and Marketing	81.5	48.9	76.7	44.1	73.4	43.6	82.9	47.6	9.5	12.9
PRIVATE SECTOR FUND-RAISING										
Net proceeds - general resources	100.7		130.0		113.1		118.8		5.7	5.0
Less: Operating costs	7.8		9.7		9.2 d/		7.4		(1.8)	(19.6)
Allocated operating costs	4.5		7.1		6.7		4.6		(2.1)	(31.3)
Net operating income - Private Sector Fund-raising c/	88.4		113.2		97.2		106.8		9.6	9.9
Net operating income - consolidated	169.9		189.9		170.6		189.7		19.1	11.2
Non-operating expenses/adjustments:										
Less:										
Market Development Programme	2.2		4.0		3.9		3.0		(0.9)	(23.1)
Fund-raising Development Programme	7.0		7.8		7.8		7.8		-	-
Exchange rate adjustment	3.2		-		-		-		-	-
Prior years' adjustments	4.5		-		-		-		-	-
Exhibits and related costs	0.2		0.2		0.1		-		(0.1)	(100.0)
Office move related costs	-		0.7		0.7		-		(0.7)	(100.0)
GCO share in UNICEF administrative costs	0.2		0.3		0.4		0.6		0.2	50.0
Central and Eastern European National Committees Development Programme	1.3		1.5		1.0		0.7		(0.3)	(30.0)
Net consolidated income - general resources	151.3		175.4		156.7		177.6		20.9	13.3
Add: Supplementary funds - private sector fund-raising (net) c/	103.6		124.3		93.8		97.3		3.5	3.7
Net consolidated income	254.9		299.7		250.5		274.9		24.4	9.7
										%
Card sales volume (millions)	*158*		*166*		*162*		*166*		*4*	2.5

a/ The comparative figures for 1995 and 1996 were restated to conform with the 1997 presentation.
b/ Due to a change in the GCO fiscal year, 1997 is a eight-month period from 1 May to 31 December 1997.
c/ Total private sector fund-raising income consists of income from general resources and supplementary funds. Supplementary funds income is shown net of house list appeal costs.
d/ In accordance with Executive Board decision 1997/4 (E/ICEF/1997/12 (Part I)), GCO transferred $0.5 million to headquarters and regional offices' budget for the biennium 1996-1997.

Table 2. Summary of consolidated expenditures – 1996 budget, 1996 latest estimates and 1997 proposed budget

(In millions of United States dollars)

	1996 Budget	1996 Latest estimates	1997 Proposed	Variance 1997 vs. 1996 latest estimates $	Variance 1997 vs. 1996 latest estimates %
DIRECTOR'S OFFICE					
Operating costs	0.5	0.5	0.3	(0.2)	(40.0)
PRODUCT LINE AND MARKETING					
Commissions - field offices	2.6	2.4	2.5	0.1	4.2
Cost of goods delivered	42.5	41.9	41.3	(0.6)	(1.4)
Operating costs	14.8	14.3	11.4	(2.9)	(20.3)
Subtotal	59.9	58.6	55.2	(3.4)	(5.8)
PRIVATE SECTOR FUND-RAISING					
Operating costs	9.7	9.2	7.4	(1.8)	(19.6)
House list - appeal costs	0.8	0.6	0.5	(0.1)	(16.7)
Subtotal	10.5	9.8	7.9	(1.9)	(19.4)
OPERATIONS AND FINANCE					
Operating costs	14.4	14.2	9.8	(4.4)	(31.0)
NON-OPERATING EXPENSES					
Market Development Programme	4.0	3.9	3.0	(0.9)	(23.1)
Fund-raising Development Programme	7.8	7.8	7.8	-	-
Exhibits	0.2	0.1	-	(0.1)	(100.0)
Office move-related costs	0.7	0.7	-	(0.7)	(100.0)
GCO share in UNICEF administrative costs	0.3	0.4	0.6	0.2	50.0
Central and Eastern European National Committees Development Programme	1.5	1.0	0.7	(0.3)	(30.0)
Subtotal	14.5	13.9	12.1	(1.8)	(12.9)
TOTAL EXPENDITURES	99.8	97.0	85.3	(11.7)	(12.1)

14. To improve monitoring of inventories, GCO plans to implement a bar-coding system (hardware and software) at a cost of $0.3 million as capital expenditure. The corresponding depreciation has been included in the budgeted expenditure for 1997.

15. The 1997 projected net consolidated income and expenditure are subject to currency fluctuations in relation to the Unites States dollar. In the present document, the December 1996 United Nations exchange rates have been used for both 1996 latest estimates and for the 1997 proposed budget.

D. Human resources

16. Consistent with efforts to increase the efficiency and profitability of GCO, it is proposed to reduce the overall number of staff at headquarters by 16 (from 182 in 1996 to 166 in 1997). This is a result of the continuous restructuring of GCO, with human resources being concentrated on the priority direction of work and the transferring of activities and related staff to other parts of UNICEF. The net reduction at headquarters is five posts.

17. In the Product Line and Marketing Group, it is proposed to abolish two L-5 posts in the product development area. The functions of these posts have been reassigned within the section.

18. In the Private Sector Fund-raising Group:

(a) As part of the overall UNICEF reorganization, 11 posts in the exhibits and special events areas, including 6 international Professional (one L-5, one L-4, two L-3, one L-2 and one L-1) and 5 General Service, are transferred to the Division of Communication;

(b) To respond to a growing demand for support from 38 National Committees and 15 field offices in priority countries, and to relate this support to income potential, it is proposed to establish a new L-3 post of fund-raising support officer;

(c) To provide additional support to partners in the areas of fund-raising campaign analysis, as well as database and work planning, one existing General Service post will be converted to an L-2 post of assistant fund-raising officer;

(d) In the area of fund-raising materials, the functions have been redefined. This will entail the downgrading of one fund-raising officer post from L-4 to L-3 and the upgrading of another post from L-2 to L-3.

19. In the Operations and Finance Group:

(a) In line with efforts to increase efficiency of the available human and financial resources, it is proposed to delegate the functions of planning and coordination to the respective sections within the Group. Therefore, it is proposed to abolish the P-4 post of planning and coordination officer and one General Service post in the administrative support area;

(b) It is also proposed to abolish a P-2 post of programmer since its functions of supporting the network computer systems have been transferred to

the Division of Information Resources Management after the GCO move to UNICEF House;

(c) One General Service post in the administrative support area is also proposed for abolishment.

20. With regard to internal redeployments, due to the delegation of the planning and coordination function, the existing P-3 post of planning officer will be redeployed from the Operations and Finance Group to the Product Line and Marketing Group. Two General Service posts will also be redeployed internally to compensate for the reduction of staff in some areas: one post is transferred from the Director's Office to Operations and Finance and the other post is transferred from Product Line and Marketing to Private Sector Fund-raising.

21. It is proposed to increase the number of staff at UNICEF field offices in the GCO priority countries by seven posts to provide additional support to the presence of GCO in the rapidly growing markets (Brazil, Colombia, Pakistan, Peru). In total, 10 new General Service posts will be established (6 in Brazil, 2 in Colombia and 1 each in Pakistan and Peru), offset by the abolishment of 2 General Service posts in Brazil and 1 national officer post of Manager, GCO India (as GCO has not yet received Government approval to carry out private sector fund-raising activities). During the last few years, most of these activities have been supported by the use of short-term staff. The costs of the new posts are offset mostly by a similar reduction of the cost of short-term staff.

22. As a result of the above changes, the total number of GCO posts worldwide is proposed to decrease by 9 to 245 posts, comprising 80 international Professional (88 in 1996), 29 national officer (30 in 1996) and 136 General Service (the same as in 1996).

II. DIRECTOR'S OFFICE

A. 1997 objectives

23. The objectives of the Director's Office are:

(a) To propose an appropriate GCO structure and recommend a GCO headquarters location, taking into account cost-effectiveness, optimization of human resources and proximity to key markets;

(b) To increase the synergy between Product Line and Marketing and Private Sector Fund-raising activities to maximize UNICEF income from the private sector;

(c) To establish policy guidelines for corporate partnerships for UNICEF.

Table 3. Director's Office: actual expenditures for 1995, 1996 budget , 1996 latest estimates and 1997 proposed budget

(In thousand of United States dollars)

Expenditures	1995 Actual a/	1996 Approved budget a/	1996 Latest estimates	1997 Proposed budget	Changes 1997 vs. 1996 latest estimates	
					$	%
Variable staff costs						
Short-term assistance	29	2	2	2	-	-
Staff training	6	5	1	3	2	200.0
Other variable staff costs b/	-	2	2	2	-	-
Total variable staff costs	35	9	5	7	2	40.0
Variable non-staff costs						
Travel	47	65	72	55	(17)	(23.6)
Workshop and conference	-	-	-	-	-	-
Communications and courier services	15	15	15	10	(5)	(33.3)
Office supplies	1	1	1	1	-	-
Furniture and office equipment	1	1	1	1	-	-
Other variable non-staff costs c/	7	7	4	5	1	25.0
Total variable non-staff costs	71	89	93	72	(21)	(22.6)
Fixed staff costs						
International Professional staff	363	208	182	130	(52)	(28.6)
General Service staff	288	160	160	55	(96)	(63.3)
Total non-staff costs	851	358	332	185	(147)	(44.3)
Fixed non-staff costs						
Office rent and maintenance	106	60	46	25	(21)	(45.7)
Total fixed non-staff costs	106	60	46	25	(21)	(45.7)
Total expenses	863	516	478	289	(187)	(39.3)
Less allocation						
Product Line and Marketing	497	272	261	159	(102)	(39.0)
Private Sector Fund-raising	366	244	215	130	(85)	(39.5)
Total expenses after allocation	-	-	-	-	-	-

a/ The comparative figures for 1995 and 1996 were restated to conform with the 1997 presentation.
b/ Overtime.
c/ Miscellaneous supplies and services, hospitality.

B. 1997 strategies

24. The strategy for achieving the above objectives is to implement C&L recommendations specifically related to the GCO structure, joint work planning with National Committees and frequent monitoring of performance against plans, and maximizing return on investment with proactive planning on the use of investment funds.

C. Analysis of 1997 proposed budget

25. Total operating expenses are projected at $0.3 million for the eight-month 1997 fiscal period, a decrease $0.2 million, or 39.3 per cent when compared to the 1996 latest estimates (see table 3).

III. PRODUCT LINE AND MARKETING

A. Introduction

26. The year 1996 was one of transition for the Product Line and Marketing Group, which worked closely with the C&L consultants analysing work processes, product lines and distribution channels. Moreover, the course was set for a more concise and authoritative product line presented in a brochure which appropriately showcased a rejuvenated overall offer.

27. The 1996 latest estimates are below the approved budget in both volume and gross proceeds; however, they represent increases over the 1995 actual results. The volume of card sales is projected to increase from 158 million to 162 million cards. Gross proceeds are projected to increase from $166.5 million to $168.5 million, the latter in spite of the negative impact of the substantially strengthened United States dollar.

28. The following are the key initiatives GCO started during 1996 for the 1997 and 1998 campaigns:

(a) Introducing the "Sweetener" line and testing a new direct mail brochure in France and Germany for the 1997 campaign I and its expansion to seven key European markets and testing in the retail distribution channel in Canada for the 1997 campaign II;

(b) Testing the 1998 "New Look" line card designs and direct mail brochure in Brazil, Canada, Japan and the United States for the 1998 campaign II;

(c) Reducing the GCO card and product offer based on sales history, sales trends, consumer research and profitability;

(d) Changing product development methodology - Art Committee and the Greeting Card Workshop voting on individual designs is abolished;

(e) Increasing the focus and support to National Committees in key markets;

(f) Testing initiatives to sell obsolete inventory without cannibalizing sales of the new line;

(g) Introducing the "New Look" line and new direct mail brochure to all markets for the 1998 campaign;

(h) Reinvigorating and developing the UNICEF brand name globally through a more concentrated and harmonized product and product support strategy.

B. 1997 objectives

29. The objectives of Product Line and Marketing are to achieve:

(a) Card sales volume of 166 million cards;

(b) Gross proceeds of $174.0 million;

(c) Net operating income of $82.9 million (before MDP).

C. 1997 strategies

30. GCO will, by working with its key markets, employ the following strategies to achieve the above objectives, taking into account the recommendations of the C&L study:

(a) To focus on key and high potential markets (Germany, France, Italy, Spain, Switzerland, the Netherlands, the United Kingdom, the United States, Canada and Japan);

(b) To streamline the product mix and offer the card and product line as a targeted and cohesive concept and to do so based on consumer research and financial analysis;

(c) To concentrate on and improve the contribution to GCO from its three main distribution channels, including the testing of new initiatives in these distribution channels; and to test other commercial channels, especially in the United States;

(d) To create new direct mail communication concepts geared towards younger consumer groups, year-round occasions and thematic orientation based on consumer buying behaviour;

(e) To restructure work processes and improve organizational capabilities.

D. Central and Eastern European National Committees Development Programme

31. The 10 countries under the Central and Eastern European National Committees Development Programme are projecting card sales of 7 million and $3.6 million in gross proceeds for 1996, representing increases of 12.9 and 12.5 per cent, respectively, over 1995 actuals.

32. The 1997 objectives include card sales of 7.4 million and gross proceeds of $3.5 million, an increase of 5.7 per cent in volume, but a decrease of 2.8 per cent in gross proceeds over the 1996 latest estimates (impact of unfavourable exchange rates).

E. Market Development Programme

33. In 1995, a total of 36 projects were approved for funding from MDP. Projects were submitted by 15 National Committees. The financial investment of GCO in these projects was $2.2 million, which helped to generate additional gross proceeds of approximately $7.0 million.

34. Some of the successful projects included a card sales telemarketing project implemented by the French Committee for UNICEF. Through the use of telemarketing techniques, card sales to the business sector increased by 0.6 million cards, raising incremental gross proceeds of $0.7 million. Another project was conducted by the German Committee for UNICEF. A personalized leaflet was mailed to prospects in the business sector, resulting in additional card sales of 0.5 million cards and incremental gross proceeds of $0.6 million. The Australian Committee for UNICEF continued (year two) an MDP-funded project using direct mail techniques targeted at Australian corporations. As a result of this initiative, 0.3 million cards were sold, raising additional revenues of $0.3 million.

35. In 1996, a total of 30 projects submitted by 13 National Commitees were approved for funding. The financial investment of GCO in these projects as of the end of February 1997 is $1.9 million, and the gross proceeds from these projects are estimated at $10.3 million. In addition, there are proposals which are currently under review for approval.

36. For the 1997 work plan, MDP funding of $3.0 million is proposed. The emphasis of the proposed projects for 1997 will be based on the previously successful MDP campaigns, including building consumer awareness of UNICEF cards and products through advertising campaigns, telemarketing campaigns to the corporate sector and sales expansion through channel development in retail and direct mail and database marketing development.

F. Analysis of 1997 proposed budget

37. Gross proceeds from product sales for 1997 are expected to range from a low of $170.0 million to a high of a $178.0 million (see annex I). The medium projection is $174.0 million, an increase of $5.5 million (3.3 per cent) over the 1996 latest estimates.

38. Sales volume for 1997 is projected at 166 million cards, an increase of 4 million cards (2.5 per cent) over the 1996 latest estimates (see table 4). Annex II summarizes the 1997 card sales volume forecast for each major market by GCO sales region, compared with the 1996 budget, the latest estimates for 1996 and 1993-1995 actual.

Table 4. Product Line and Marketing Group:

Income and expenditures for 1995 actual, 1996 budget, 1996 latest estimates and 1997 proposed budget

	1995 Actual a/	%	1996 Approved budget a/	%	1996 Latest estimates	%	1997 Proposed budget	%	Changes 1997 versus 1996 latest estimates	
Card sales volume (millions)	158		166		162		166		4	2.5
	(In thousands of United States dollars)								$	%
Gross proceeds	168,488	100	174,000	100	168,500	100	174,000	100	5,500	3.3
Less: National Committees' retention	36,388	21.3	37,059	21.3	36,989	21.4	37,930	21.8	1,941	5.4
Commissions paid by field offices	1,983	1.1	2,641	1.5	2,411	1.4	2,470	1.4	59	2.4
Net proceeds	129,177	77.6	134,300	77.2	130,100	77.2	133,600	76.8	3,500	2.7
Direct production costs	21,089	13.1	25,658	14.7	25,000	14.8	26,391	15.2	1,391	5.6
Indirect production costs										
Plant/shipping/warehouse/storage regional support centres	3,765		4,912		4,924		3,498		(1,426)	(29.0)
Freight from GCO warehouse	1,641		2,035		2,042		1,400		(642)	(31.5)
Duties and taxes	1,918		1,915		1,915		1,812		(103)	(5.4)
Promotional materials	6,245		7,980		7,973		8,142		169	2.1
Total indirect production costs	13,569	8.2	16,842	9.7	16,854	10.0	14,852	8.5	(2,002)	(11.9)
Variable staff costs										
Short-term assistance	391		511		543		312		(231)	(42.5)
Staff training	28		50		50		50		-	-
Other variable staff costs b/	9		1		1		20		19	1,900.0
Total variable staff costs	428	0.3	562	0.3	594	0.4	382	0.2	(212)	(35.7)
Variable non-staff costs										
Travel	306		374		370		241		(129)	(34.9)
Workshop and conference	177		293		265		241		(24)	(9.1)
Communications and courier services	172		250		235		177		(58)	(24.7)
Office supplies	24		36		33		25		(8)	(24.2)
Furniture and office equipment	32		79		72		33		(39)	(54.2)
Rent & maintenance of furniture and office equipment	-		-		-		18		18	100.0
Computer equipment and computer supplies	-		44		51		42		(9)	(17.6)
Rent and maintenance of computers	-		2		-		1		1	100.0
Other variable non-staff costs c/	59		73		63		43		(20)	(31.7)
Total variable non-staff costs	770	0.5	1,151	0.7	1,089	0.6	821	0.5	(268)	(24.6)
Fixed staff costs										
International Professional staff	2,851		3,499		3,351		2,315		(1,036)	(30.9)
General Service staff	2,488		2,985		2,884		1,847		(1,037)	(36.0)
Allocations Market research staffing to PSFR	(281)		(351)		(258)		(174)		84	(32.6)
Total fixed staff costs	5,058	3.0	6,133	3.5	5,977	3.5	3,988	2.3	(1,989)	(33.3)
Fixed non-staff costs										
Office rent and maintenance	696		777		721		432		(289)	(40.1)
Fixed non-staff costs	696	0.4	777	0.4	721	0.4	432	0.2	(289)	(40.1)
Research and development costs	792	0.5	1,221	0.7	1,055	0.6	1,338	0.8	280	26.5
Field offices' expenses	4,784	2.9	4,170	2.4	4,125	2.4	3,758	2.2	(367)	(8.9)
Regional support centres' expenses	1,480	0.9	733	0.4	742	0.4	694	0.4	(48)	(6.5)
Total expenses	48,374	29.7	57,247	32.9	56,157	33.3	52,053	30.3	(3,904)	(6.2)
Add: Other income	8,321	5.0	7,800	4.3	7,800	4.6	7,800	4.3	-	-
Provision for doubtful accounts	847	0.3								
Net operating income before allocation	87,577	52.6	84,853	48.6	81,443	48.3	88,447	50.8	7,004	8.6
Less: Allocation of operating costs										
Director's Office	497		272		261		159		(102)	(39.0)
Operations and Finance	8,677		7,534		7,736		5,378		(2,358)	(30.8)
Net operating income after allocation	81,583	49.0	76,787	44.1	73,446	43.6	82,910	47.6	9,464	12.9
Less: MDP	2,199		4,000		3,912		3,000		(912)	(23.3)
Net operating income after allocation and MDP	79,384	47.6	72,787	41.8	69,534	41.3	79,910	45.9	10,376	14.9

a/ The comparative figures for 1995 and 1996 were restated to conform with the 1997 presentation.
b/ Overtime.
c/ Miscellaneous supplies and services, subscriptions, advocacy materials, complimentary cards, insurance, legal fees, hospitality.

39. The net proceeds for 1997 are projected at $133.6 million, $3.5 million (2.7 per cent) higher than the 1996 latest estimates. This is after the amounts retained by National Committees ($37.9 million) and commissions paid to consignees by UNICEF field offices ($2.5 million).

40. Other income for 1997 is projected at the level of the 1996 latest estimates, i.e., $7.5 million. This includes royalties from the sale of licensed products, donations generated from brochures and order forms, bank interest and discounts realized on purchases.

41. Total expenses for the Product Line and Marketing Group, excluding MDP but including commissions paid by UNICEF field offices, are projected at $55.1 million for the eight-month 1997 fiscal period, a decrease of $3.5 million, or 6.0 per cent when compared with the 1996 latest estimates.

42. The net operating income (after the allocation of operating costs and excluding MDP) for the eight-month 1997 fiscal period is projected at $82.9 million (47.6 per cent of gross proceeds), an increase of $9.5 million, or 12.9 per cent over the 1996 latest estimates.

IV. PRIVATE SECTOR FUND-RAISING

A. Introduction

43. The year 1996 has been one of change for several National Committees and for the Private Sector Fund-raising Group:

(a) Several National Committees underwent major management or fund-raising department reorganizations;

(b) The Special Projects Section and the Celebrities and Events Unit were transferred from GCO to the newly formed Division of Communication.

44. Fierce competition for donor contributions in many countries and the strengthened value of the United States dollar, as well as external factors such as postal service strikes, have negatively impacted the income raised.

45. Despite this challenging environment, GCO partners in key fund-raising markets managed to maintain or slightly increase their income in local currency. UNICEF financial support in the areas of research and development and FDP was instrumental in achieving those results.

46. Breakthroughs were achieved in some countries, including Austria, the Philippines, Portugal and Thailand, as well as in the area of international partnerships such as Change for Good, Check-out-for-Children with ITT Sheraton Hotels and Round-up for Children with Inter-Continental Hotels worldwide.

B. 1997 objectives

47. The objectives of Private Sector Fund-raising are to achieve:

(a) Net proceeds of $216.1 million (general resources of $118.8 million and supplementary funds of $97.3 million);

(b) Net operating income before FDP of $106.8 million for general resources.

C. 1997 strategies

48. GCO will achieve those objectives through the following strategies and by working with all partners:

(a) In line with the C&L study, to:

(i) Evaluate the long-term private sector fund-raising income potential and establish fund-raising priorities by market based on an in-depth country-by-country analysis;

(ii) Focus GCO human and financial resources on key markets and on key fund-raising priorities in each market;

(iii) Provide long-term policy and procedures for corporate partnerships;

(b) To create a feeling of "proud to give" and "proud to belong to a worthwhile international organization" among the donors;

(c) To strengthen cooperation among UNICEF and its key partners by facilitating share-and-compare experiences, training workshops and other capacity-building opportunities;

(d) To establish key performance indicators for benchmarking and monitoring performance;

(e) To intensify efforts on key fund-raising techniques such as international mailings, monthly pledges, coherent house list fund-raising and legacies as well as the use of volunteers in various fund-raising activities;

(f) To provide leadership for testing and rolling out new and/or expanding international fund-raising initiatives and international corporate fund-raising partnerships;

(g) To simplify direct mail test packages and link them directly with UNICEF development activities in order to obtain more committed donors with optimal cost-effectiveness, thereby achieving long-term income stability;

(h) To service partners through the centralized production of key fund-raising support materials such as technical kits, premiums, direct marketing advertisements and packages;

(i) To increase synergy between the Product Line and Marketing and Private Sector Fund-raising Groups in the areas of brand management, market research and database management.

D. Fund-raising Development Programme

49. The 1994 Executive Board extended FDP for an additional five years (E/ICEF/1994/13/Rev.1, decision 1994/A/9 C.2) because of its success and invaluable support to GCO partners. The support given covers a variety of

initiatives, concentrating mainly on prospecting campaigns in order to increase the National Committee and UNICEF field office donor lists. Due to increased competition and higher costs, several National Committees find it difficult to break even during the first year of a prospecting campaign and need extensive FDP support to expand their donor lists and remain within the retention rate clause set forth in the Recognition Agreement.

50. For the fiscal year 1996, the Executive Board approved $7.8 million for FDP. As of 28 February 1997, $6.5 milion had already been committed, with applications in approval process amounting to $0.9 million. Seventeen National Committees and four UNICEF field offices (including applications in process) benefited from FDP support in 1996, funding 26 fund-raising campaigns in total.

51. Based on the encouraging results from FDP investments to date, GCO proposes a budget of $7.8 million for 1997, the same as in 1996. This will facilitate the funding opportunities for expanding and increasing the income generation of donor constituencies which may not be implementable without FDP.

E. Analysis of 1997 proposed budget

52. Net proceeds from UNICEF private sector fund-raising activities for 1997 are projected at $216.1 million, of which $118.8 million are for general resources and $97.3 million for supplementary funds (see table 5). The general resources component of that amount represents an increase of $5.7 million (5.1 per cent) over the 1996 latest estimates. Detailed projections for 1997 compared with the 1996 latest estimates of net proceeds by country are presented in annex III.

53. Total expenses for the Private Sector Fund-raising Group (excluding FDP, but including house list appeal costs) are projected at $7.9 million for the eight-month 1997 fiscal period, a decrease of $1.9 million, or 19.4 per cent when compared to the 1996 latest estimates.

54. The net operating income (after the allocation of operating costs and excluding FDP) for the 1997 fiscal period is projected at $204.1 million ($106.8 million for general resources and $97.3 million for supplementary funds), an increase of $13.1 million, or 6.9 per cent when compared to the 1996 latest estimates. The $106.8 million for general resources represent an increase of $9.6 million (9.9 per cent) over the 1996 latest estimates.

Table 5. Private Sector Fund - raising Group: income and expenditures for 1995 actual, 1996 budget, 1996 latest estimates and 1997 proposed budget

(In thousands of United States dollars)

	1995 Actual	%	1996 Budget	%	1996 Latest estimates a/	%	1997 Proposed budget	%	Changes 1997 vs. 1996 latest estimates	
Net proceeds (general resources)	166,711	100	130,000	100	113,070	100	118,800	100	5,730	5.1
Variable staff costs										
Short-term assistance	50		84		91		5		(86)	(94.5)
Staff training	28		50		50		33		(17)	(34.0)
Total variable staff costs	78	0.1	134	0.1	141	0.1	38	0.0	(103)	(73.0)
Variable non-staff costs										
Travel	201		248		217		144		(73)	(33.6)
Workshop and conference	10		30		30		15		(15)	(50.0)
Communications and courier services	99		145		142		75		(67)	(47.2)
Office supplies	46		72		54		9		(45)	(83.3)
Furniture and office equipment	89		9		6		2		(4)	(66.7)
Rent & maintenance of furniture and office equipment	30		31		23		4		(19)	(82.6)
Computer equipment and supplies	-		84		47		18		(29)	(61.7)
Rent & maintenance of computers	-		2		2		1		(1)	(50.0)
Other variable non-staff costs b/	140		166		177		188		11	6.2
Total variable non-staff costs	555	0.6	757	0.6	696	0.6	456	0.4	(242)	(34.7)
Fixed staff costs										
International Professional staff	1,788		1,915		1,729		974		(755)	(43.7)
General Service staff	1,028		1,153		1,037		651		(386)	(37.2)
Allocation market research	281		351		258		174		(84)	(32.6)
Total fixed staff costs	3,074	3.1	3,419	2.6	3,024	2.7	1,799	1.5	(1,225)	(40.5)
Fixed non-staff costs										
Office rent and maintenance	382		409		349		156		(193)	(55.3)
Total fixed non-staff costs	382	0.3	409	0.3	349	0.3	156	0.1	(193)	(55.3)
Research and development costs	1,132	1.1	1,814	1.4	1,724	1.5	2,070	1.7	346	20.1
Field offices' expenses	1,884	1.8	2,331	1.8	2,319	2.1	1,995	1.7	(324)	(14.0)
Regional support centres' expenses	1,003	1.0	842	0.6	977	0.9	885	0.7	(92)	(9.4)
Total expenses	7,818	7.8	9,706	7.5	9,232	8.2	7,399	6.2	(1,833)	(19.9)
Net operating income before allocation	92,893	92.2	120,294	92.5	103,838	91.8	111,401	93.8	7,563	7.3
Less: Allocation of operating costs										
Director's Office	368		244		216		130		(85)	(39.5)
Operations and Finance	4,147		6,900		6,424		4,436		(1,988)	(30.9)
Net operating income after allocation	88,380		113,150		97,199		106,835		9,636	9.9
Less: FDP	6,978		7,800		7,800		7,804		4	0.1
Less: Special projects/exhibits	168		205		137		-		(137)	(100.0)
Net operating income after allocation, FDP and Special projects/exhibits	81,244	80.7	105,145	80.9	89,262	78.9	99,031	83.4	9,769	10.9
Add: Supplementary funds contributions	163,617		125,111		94,409		97,757		3,348	3.5
Less: House list - appeal costs			790		610		495		(115)	(18.9)
Total supplementary funds contributions (net)	163,617		124,321		93,799		97,262		3,463	3.7
Net operating income including supplementary funds	184,861		229,466		183,061		196,293		13,232	7.2

a/ In accordance with Executive Board decision 1997/4, GCO transferred $6.5 million to headquarters and regional offices' budget for the biennium 1996-1997.

b/ Miscellaneous supplies and services, subscriptions, on-line services, advocacy materials, programme materials, hospitality.

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V. OPERATIONS AND FINANCE

A. Introduction

55. During 1996, the planned migration of GCO application systems from WANG VS to another platform was deferred pending the decision on an overall UNICEF system.

56. In 1997, GCO will participate in the UNICEF-wide migration from its existing systems to the Programme Manager System (PROMS) at UNICEF field offices and the new financial system at headquarters.

57. In order to better service partners, GCO will establish a condensed product development and production cycle, introducing "production to order" and demand forecasting. While helping to improve customer service, this will also help to reduce the exposure of GCO to inventory accumulation, increase the inventory turnover ratio and improve the return on investment on inventory.

58. The Operations and Finance Group will participate in the implementation of the C&L study recommendations by strengthening business processes and production and operation procedures, and initiate joint work planning with key partners.

B. 1997 objectives

59. The objectives of Operations and Finance are:

(a) To provide financial, operational and information support to management and other functional groups within GCO;

(b) To further improve customer service to GCO partners in a cost-efficient manner.

C. 1997 strategies

60. The strategies to achieve the above objectives are:

(a) To develop and establish a performance monitoring mechanism for key partners within GCO to receive, analyse and compare actual results against plan and provide management with timely information;

(b) To streamline the work plan and budget preparation package for 1998 as well as to establish the proper definition of accountabilities and responsibilities through strengthened joint work planning with National Committees;

(c) To provide financial analysis of GCO strategies of both Product Line and Marketing and Private Sector Fund-raising Groups;

(d) To review and update existing production standards with a view to reducing excess inventories; and to initiate a change from "producing to inventory" to "production on demand" with the objective of improving inventory turnover, the cost of goods ratio and the quality of inventory;

Table 6. Operations and Finance Group: expenditures for 1995 actual, 1996 budget, 1996 latest estimates and 1997 proposed budget

(In thousands of United States dollars)

Expenditures	1995 Actual	1996 Budget	1996 Latest estimates	1997 Proposed budget	Changes 1997 versus 1996 latest estimate $	Changes 1997 versus 1996 latest estimate %
Variable staff costs						
Short - term assistance	539	542	611	528	(83)	(13
Staff training	51	116	105	85	(20)	(19
Other variable staff costs a/	44	44	59	42	(17)	(28
Total variable staff costs	634	702	775	655	(120)	(15
Variable non-staff costs						
Travel	255	334	327	246	(81)	(24
Workshop and conference	12	30	32	6	(26)	(81
Communications and courier services	197	374	377	264	(113)	(30
Office supplies	105	113	103	79	(24)	(23
Furniture and office equipment	129	50	49	40	(9)	(18
Rent & maintenance of furniture and office equipment	130	147	127	72	(55)	(43
Computer equipment and computer supplies	62	301	307	271	(36)	(11
Rent & maintenance of computers	84	416	285	117	(168)	(59
Computer software development	377	680	693	606	(87)	(12
Other variable non-staff costs b/	122	313	273	249	(24)	(8
Total variable non-staff costs	1,473	2,758	2,573	1,950	(623)	(24
Fixed staff costs						
International Professional staff	4,606	4,422	4,208	2,839	(1,369)	(32
General Service staff	1,655	3,456	3,428	2,194	(1,234)	(36
Total fixed staff costs	6,261	7,878	7,636	5,033	(2,603)	(34
Fixed non-staff costs						
Office rent and maintenance	966	1,073	1,112	740	(372)	(33
Depreciation	280	532	407	120	(287)	(70
Other fixed non-staff costs c/	105	120	172	190	18	10
Total fixed non-staff costs	1,351	1,725	1,691	1,050	(641)	(37
Research and development costs	5	15	17	12	(5)	(29
Field offices' expenses	-	-	-	-	-	
Regional support centres' expenses	-	1,346	1,468	1,114	(354)	(24
Total expenses before allocation	9,724	14,424	14,160	9,814	(4,346)	(30
Less: allocation						
Product Line and Marketing	5,577	7,524	7,736	5,378	(2,358)	(30
Private Sector Fund-raising	4,147	6,900	6,424	4,436	(1,988)	(30
Total expenses after allocation	-	-	-	-	-	

a/ Staff welfare and overtime.
b/ Miscellaneous supplies and services, subscriptions, insurance, legal fees, external audit.
c/ Payments to UNICEF.

(e) To modify financial procedures starting with the 1997 GCO fiscal period for recognizing income from product sales based on estimates necessitated by the change in the GCO fiscal year;

(f) To facilitate the migration of existing GCO systems to PROMS at UNICEF field offices and to the new financial system at headquarters.

D. Analysis of 1997 proposed budget

61. Total expenses for the Operations and Finance Group are projected at $9.8 million for the 1997 fiscal period, a decrease of $4.4 million, or 30.7 per cent when compared to the 1996 latest estimates (see table 6).

VI. REGIONAL SUPPORT CENTRES AND UNICEF FIELD OFFICES

A. Introduction

62. Gross proceeds generated by UNICEF field offices from GCO activities in 1996 are projected at $34.7 million, with costs estimated at $18.8 million (excluding FDP), resulting in a net income of $15.9 million (including other income of $0.1 million).

63. Based on the established criteria for priority country status, 13 countries are now in the category of "priority country". To date, UNICEF has obtained government approval in 10 of those countries to carry out private sector fund-raising activities in addition to product sales.

B. 1997 objectives

64. The objectives are:

(a) To provide support, assistance and training to priority countries in technical aspects of GCO-related activities;

(b) To achieve:

(i) Card sales of 28.5 million;

(ii) Gross proceeds of $22.6 million from product sales and net proceeds of $15.7 million from private sector fund-raising.

C. 1997 strategies

65. The strategies to achieve the above objectives are:

(a) To develop regional strategies for product mix, distribution and pricing for product sales and direct appeal, donor acquisition and corporate appeal for private sector fund-raising activities, taking into account relevant recommendations of C&L;

(b) To increase the focus on key markets with identified strong potential;

(c) To obtain government approval to carry out private sector fund-raising activities, where still outstanding;

(d) To provide support and monitor implementation of the 1997 work plan and budget and to strengthen internal controls and procedures to facilitate closer monitoring of income and expenditures;

(e) To increase prices to eventually reach the world base price of $8.50;

(f) To prepare for the introduction of the "New Look" line to major markets in 1998;

(g) To organize regional workshops for product sales and private sector fund-raising activities to review 1996 results, establish strategies, provide training and support to achieve 1997 objectives.

D. Analysis of 1997 proposed budget

66. For 1997, UNICEF field offices are projected to generate $38.8 million in gross proceeds ($22.6 million from product sales and $16.2 from private sector fund-raising), an increase of $4.1 million (11.7 per cent) over the 1996 latest estimates (see table 7). Of this increase, $2.1 million, or 10.2 per cent, are projected from product sales, and $2.0 million, or 14.1 per cent, from private sector fund-raising.

67. Sales volume for 1997 is projected at 28.5 million cards, an increase of 0.6 million cards (2.1 per cent) over the 1996 latest estimates.

68. Total operating expenses for UNICEF field offices and the GCO regional support centres are projected at $8.4 million for the 1997 fiscal period, a decrease of $1.2 million, or 12.5 per cent when compared to the 1996 latest estimates.

69. For the 1997 fiscal period, the net operating income from UNICEF field offices from both product sales and private sector fund-raising prior to investment in FDP is projected at $21.5 million, an increase of $5.6 million, or 35.2 per cent over the 1996 latest estimates. Of this increase, $2.7 million is attributable to product sales and $2.5 million to private sector fund-raising activities, coupled with a reduction in expenditures of the Operations and Finance Group by $0.4 million.

Table 7. Regional support centres and UNICEF field offices :

Income and expenditures for 1995 actual, 1996 budget, 1996 latest estimates and 1997 proposed budget

(In thousands of United States dollars)

	1995	1996	1996 Latest estimates				1997 Proposed budget				Changes 1997 vs. 1996 latest estimates	
	Actual	Budget	PLM	PSFR	O&F	Total	PLM	PSFR	O&F	Total	$	%
Volume of card sales	26,649	29,500	27,869	-	-	27,869	28,464	-	-	28,464	595	2.1
Gross proceeds	30,789	41,747	20,524	14,216	-	34,740	22,819	16,192	-	38,811	4,071	11.7
Less: Commissions paid to consignees	1,903	2,641	2,411	-	-	2,411	2,470	-	-	2,470	59	2.4
Less: PSFR house list - appeal costs	-	790	-	610	-	610	-	496	-	496	(115)	(18.9)
Net proceeds	28,886	38,316	18,113	13,606	-	31,719	20,149	15,697	-	35,846	4,127	13.0
Direct costs of goods delivered	4,325	5,033	4,927	-	-	4,927	4,891	-	-	4,891	(36)	(0.7)
Indirect costs	178	22	29	-	-	29	-	-	-	-	(29)	(100.0)
Freight from GCO warehouses	603	807	807	-	-	807	624	-	-	624	(183)	(22.7)
Duties and taxes	10	-	-	-	-	-	12	-	-	12	12	100.0
Promotional materials	487	580	512	-	-	512	519	-	-	519	7	1.4
Total costs of goods delivered	5,603	6,442	6,275	-	-	6,275	6,046	-	-	6,046	(229)	(3.6)
Operating expenses:												
Variable selling costs - field offices												
Freight - internal	277	241	213	-	-	213	236	-	-	236	23	10.8
Storage	217	206	229	-	-	229	139	-	-	139	(90)	(39.3)
Promotional materials	118	142	138	-	-	138	161	-	-	161	23	16.7
Total variable selling costs - field offices	612	589	580	-	-	580	536	-	-	536	(44)	(7.6)
Variable staff costs												
Short-term assistance	1,136	1,248	885	438	34	1,357	760	311	29	1,099	(258)	(19.0)
Staff training	-	53	14	31	8	53	22	22	10	54	1	1.9
Other variable staff costs a/	38	44	28	4	8	40	24	6	6	34	(6)	(15.0)
Total variable staff costs	1,174	1,355	927	473	50	1,450	806	338	43	1,187	(263)	(18.1)
Variable non-staff costs												
Travel	300	339	162	97	77	336	144	106	68	318	(18)	(5.4)
Workshop and conference	46	55	49	7	6	62	40	29	7	76	14	22.6
Communications and courier services	279	317	229	83	51	363	188	68	33	290	(83)	(22.9)
Office supplies	190	129	78	24	8	110	68	18	5	89	(21)	(19.1)
Furniture and office equipment	226	136	112	26	14	152	85	22	66	166	13	8.6
Rent & maintenance of furniture and office equipment	64	29	30	24	13	67	25	13	6	44	(23)	(34.3)
Computer equipment and computer supplies	-	98	47	38	11	96	63	35	24	126	29	30.2
Rent & maintenance of computers	-	17	2	15	-	17	10	10	2	22	5	29.4
Computer software development	-	14	2	8	3	13	1	24	4	29	16	123.1
Other variable non-staff costs b/	451	194	180	22	6	208	196	14	7	217	9	4.3
Total variable non-staff costs	1,556	1,328	891	344	189	1,424	818	335	212	1,365	(59)	(4.1)
Fixed staff costs												
International Professional staff	1,428	1,134	201	322	786	1,309	170	216	665	961	(348)	(27.3)
National Professional staff	1,323	1,600	780	593	124	1,497	650	434	89	1,173	(324)	(21.8)
General Service staff	1,155	1,059	599	191	269	1,059	530	237	137	904	(155)	(14.6)
Total fixed staff costs	3,906	3,793	1,580	1,106	1,179	3,865	1,350	887	791	3,028	(837)	(21.7)
Fixed non-staff costs												
Office rent and maintenance	484	402	341	50	50	441	277	67	58	402	(39)	(8.8)
Depreciation	-	30	9	-	-	9	5	5	10	20	11	122.2
Total fixed non-staff costs	484	432	350	50	50	450	282	72	68	422	(28)	(6.2)
Research and development	1,139	1,926	539	1,323	-	1,862	660	1,248	-	1,908	46	2.5
Total operating expenses	8,871	9,423	4,867	3,296	1,468	9,631	4,452	2,880	1,114	8,446	(1,185)	(12.3)
Other income	353	146	115	-	-	115	155	-	-	155	40	34.8
Bad debts	255	-	-	-	-	-	-	-	-	-		
Net operating income before FDP	14,510	22,597	7,086	10,310	(1,468)	15,928	9,806	12,817	(1,114)	21,509	5,581	35.0
Percentage of gross proceeds	47.1	54.1	34.5	72.5		45.8	43.4	79.2		55.4		
Less: FDP	985	2,400	-	1,598	-	1,598	-	1,884	-	1,884	86	3.5
Net operating income after FDP	13,525	20,197	7,086	8,712	(1,468)	14,330	9,806	11,163	-	19,855	5,525	38.6
Percentage of gross proceeds	43.9	48.4	34.5	61.3		41.2	43.4	68.9		51.2		

Summary of expenditures:												
Commissions/house list - appeal costs	1,903	3,431	2,411	610	-	3,021	2,470	496	0	2,966	(56)	2.4
Cost of goods delivered	5,603	6,442	6,275	-	-	6,275	6,046	-	-	6,046	(229)	(3.6)
Total operating expenses - (variable costs, fixed costs, research and development)	8,871	9,423	4,867	3,296	1,468	9,631	4,452	2,880	1,114	8,446	(1,185)	(12.3)

PLM = Product Line and Marketing; PSFR = Private Sector Fund-raising; O&F = Operations and Finance.

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a/ Overtime.

b/ Miscellaneous supplies and services, hospitality.

VII. MEDIUM-TERM PLAN, 1998-2001

70. The GCO medium-term plan is based on the GCO mandate in its two income-generating areas, i.e., Product Line and Marketing and Private Sector Fund-raising.

71. Table 8 presents the medium-term plan for GCO for the period 1998-2001. The plan takes into account the C&L recommendations, market trends, previous years' financial results and strategic plans developed and implemented in cooperation with National Committees and UNICEF field offices.

72. The financial goals of GCO, as per the extrapolations for the medium-term plan, are to achieve the following by the year 2001:

(a) From product line and marketing:

(i) Card volume of 205 million;

(ii) Gross proceeds of $202.5 million;

(iii) Net operating income (after the allocation of operating costs, but before MDP) of $92.6 million;

(b) From private sector fund-raising:

(i) Net proceeds of $262.5 million ($144.3 million for general resources and $118.2 million for supplementary funds);

(ii) Net operating income (after the allocation of operating costs, but before FDP) of $244.6 million ($126.4 million for general resources and $118.2 million for supplementary funds);

(c) To generate net consolidated income for UNICEF from the private sector of $324.6 million, comprising $206.4 million for general resources and $118.2 million for supplementary funds.

Table 8. GCO medium-term plan:
1995 actual, 1996 budget, 1996 latest estimates, 1997 proposed and 1998 -2001

(In millions of United States dollars)

	1995 Actual a/	1996 Budget a/	1996 Latest estimates	1997 Proposed b/	1998	1999	2000	2001
					Medium-term plan projections			
PRODUCT LINE AND MARKETING								
Gross proceeds	166.5	174.0	168.5	174.0	180.0	187.2	194.7	202.5
Less: Commissions (including retention)	37.3	39.7	38.4	40.4	41.8	44.9	47.7	50.6
Net proceeds	129.2	134.3	130.1	133.6	138.2	142.3	147.0	151.9
Less: Cost of goods delivered	36.5	42.5	41.9	41.3	42.3	44.0	43.8	44.8
Operating costs	13.9	14.8	14.3	11.4	13.5	14.0	14.6	15.2
Allocated operating costs	6.1	7.8	8.0	8.5	8.3	8.7	9.1	9.6
Provision for doubtful accounts	0.5	-	-	-	-	-	-	-
Add: Other income - net	8.3	7.5	7.5	7.5	8.0	8.8	9.3	10.0
Net operating income - Product Line and Marketing	81.5	76.7	73.4	82.9	82.1	84.4	88.8	92.6
PRIVATE SECTOR FUND-RAISING								
Net proceeds - general resources	100.7	130.0	113.1	118.8	124.7	131.0	137.4	144.3
Less: Operating costs	7.8	9.7	9.2 d/	7.4	8.7	9.2	9.6	10.1
Allocated operating costs	4.5	7.1	6.7	4.6	6.6	6.9	7.3	7.8
Net operating income - Private Sector Fund-raising c/	88.4	113.2	97.2	106.8	108.4	114.9	120.5	126.4
Net operating income - consolidated	169.9	189.9	170.6	189.7	191.5	199.3	209.3	219.0
Non-operating expenses/adjustments:								
Less:								
Market Development Programme	2.2	4.0	3.9	3.0	3.0	3.5	3.5	4.0
Fund-raising Development Programme	7.0	7.8	7.8	7.8	8.0	8.0	8.0	8.0
Exchange rate adjustment	3.2	-	-	-	-	-	-	-
Prior years' adjustments	4.5	-	-	-	-	-	-	-
Exhibits and related costs	0.2	0.2	0.1	-	-	-	-	-
Office move-related costs	-	0.7	0.7	-	-	-	-	-
GCO share in UNICEF administrative costs	0.2	0.3	0.4	0.6	0.5	0.5	0.6	0.6
Central and Eastern European National Committees Development Programme	1.3	1.5	1.0	0.7	0.5	0.5	0.3	-
Net consolidated income - general resources	151.3	175.4	156.7	177.6	179.5	186.8	196.9	206.4
Add: Supplementary funds - private sector fund-raising (net) c/	103.6	124.3	93.8	97.3	102.1	107.2	112.6	118.2
Net consolidated income	254.9	299.7	250.5	274.9	281.6	294.0	309.5	324.6
Card sales volume (millions)	*158*	*196*	*162*	*166*	*173*	*181*	*192*	*205*

a/ The comparative figures for 1995 and 1996 were restated to conform with the 1997 presentation.
b/ Due to a change in the GCO fiscal year, 1997 is a eight-month period from 1 May to 31 December 1997.
c/ Total private sector fund-raising income consists of income from general resources and supplementary funds. Supplementary funds income is shown net of house list appeal costs.
d/ In accordance with Executive Board decision 1997/4, GCO transferred $0.5 million to headquarters and regional offices' budget for the biennium 1996-1997.

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VIII. DRAFT RECOMMENDATIONS

73. The draft recommendations for Executive Board approval relating to the GCO budget for 1 May to 31 December 1997 are presented below.

A. Greeting Card and related Operations budgeted expenditures for the 1997 season

The Executive Board

1. Approves for the fiscal period 1 May to 31 December 1997 budgeted expenditures of $85.3 million as detailed below and summarized in column II of annex I to document E/ICEF/1997/AB/L.8:

	(In millions of United States dollars)
Director's Office	0.3
Product Line and Marketing	55.2
Private Sector Fund-raising	7.9
Operations and Finance	9.8
Subtotal	73.2
Non-operating expenses:	
Market Development Programme	3.0
Fund-raising Development Programme	7.8
GCO share in UNICEF administrative costs	0.6
Central and Eastern European National Committees Development Programme	0.7
Subtotal	12.1
Total expenditures, consolidated a/	85.3

2. Authorizes the Executive Director:

(a) To incur expenditures as summarized in column II of annex I to document E/ICEF/1997/AB/L.8 and to increase the expenditures up to the level indicated in column III of annex I to the same document, should the apparent net proceeds from product sales and/or private sector fund-raising increase to the levels indicated in column III of annex I, and, accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the net proceeds decrease;

(b) To transfer funds when necessary between the various budgets as detailed above;

(c) To spend an additional amount between Executive Board sessions, when necessary, owing to currency fluctuations, to ensure the continued operation of GCO.

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a/ For details, see table 2.

B. Budgeted income for the 1997 season

The Executive Board

Notes that for the fiscal period 1 May to 31 December 1997, GCO net proceeds are budgeted at $259.9 million as shown in column II of annex I to document E/ICEF/1997/AB/L.8.

C. Policy issues

The Executive Board

1. Approves the changes in posts with a net decrease of nine posts as indicated in annexes IV and VI of document E/ICEF/1997/AB/L.8;

2. Renews MDP with $3.0 million established for 1997;

3. Renews FDP with $7.8 established for 1997;

4. Renews the Central and Eastern European National Committees Development Programme, which includes 10 countries, with a budget of $0.7 million established for 1997;

5. Authorizes the Executive Director to incur expenditures in the 1997 fiscal period related to cost of goods delivered (production/purchase of raw materials, cards and other products) for the 1998 fiscal year up to $42.3 million as indicated in the GCO medium-term plan (see table 8 of document E/ICEF/1997/AB/L.8).

Annex I

RANGE OF BUDGETED INCOME AND EXPENDITURES FOR THE FISCAL YEAR 1 MAY - 31 DECEMBER 1997

(In millions of United States dollars)

	I Low projection	II Medium projection	III High projection
Budgeted income			
Gross proceeds - GCO products (table 1)	170.0	174.0	178.0
Deduct: National Committees' retention	37.0	37.9	38.8
Net proceeds	133.0	136.1	139.2
Add: Other income - net (table 1)	6.5	7.5	8.5
Net proceeds - GCO products (table 1)	139.5	143.6	147.7
Private sector fund-raising (table 5)	113.0	118.8	124.0
Total net proceeds	252.5	262.4	271.7
Budgeted expenditures			
Director's Office (table 3)	0.3	0.3	0.3
Product Line and Marketing Group (table 4)	53.8	55.2	56.8
Market Development Programme (table 4)	3.0	3.0	3.0
Private Sector Fund-raising Group (table 5)	7.0	7.9	7.7
Fund-raising Development Programme (table 5)	7.8	7.8	7.8
Operations and Finance Group (table 6)	9.6	9.8	10.4
GCO share in UNICEF administrative costs (table 1)	0.6	0.6	0.6
Central and Eastern European National Committees Development Programme (table 1)	0.6	0.7	0.8
Total expenditures - consolidated (table 2)	82.7	85.3	87.4
Net consolidated income - general resources (table 1)	169.8	177.1	184.3
Add: Supplementary funds - private sector fund-raising (table 5)	91.0	97.8	103.0
Net consolidated revenues - general resources and and supplementary funds	260.8	274.9	287.3

Annex II

PRODUCT LINE AND MARKETING:
CARD SALES BY REGION, 1993 - 1997
NATIONAL COMMITTEES

(In thousands of cards)

Country/region	1993 Actual	1994 Actual	1995 Actual	1996 Budget	1996 Latest estimates	1997 Forecast Low	1997 Forecast Medium	1997 Forecast High
Canada	5,188	4,941	4,537	5,000	5,000		4,308	
United States of America	8,666	9,050	9,168	9,500	9,885		10,800	
Subtotal	13,854	13,991	13,705	14,500	14,885		15,108	
Less: Adjustment								
Total North America - Region I	13,854	13,991	13,705	14,500	14,885	14,500	15,108	15,500
Hong Kong	830	878	703	920	764		800	
Japan	6,508	6,123	6,391	6,700	6,900		7,200	
Republic of Korea	435	615	557	650	655		700	
Subtotal	7,773	7,616	7,651	8,270	8,319		8,700	
Less: Adjustment								
Total Asia - Region III	7,773	7,616	7,651	8,270	8,319	8,200	8,700	9,200
Australia	1,667	1,857	1,684	2,100	1,900		2,100	
New Zealand	264	330	208	250	200		230	
Subtotal	1,931	2,187	1,892	2,350	2,100		2,330	
Less: Adjustment								
Total Pacific, India & Pakistan - Region IV	1,931	2,187	1,892	2,350	2,100	2,100	2,330	2,500
Austria	1,659	1,506	1,447	1,600	1,527		1,600	
Belgium	2,323	2,311	2,112	2,335	1,864		1,900	
Denmark	1,865	1,826	1,754	1,917	1,865		1,900	
Finland	1,811	1,774	1,751	2,000	1,853		1,900	
France	16,336	16,735	15,445	17,000	15,505		16,000	
Germany	18,405	18,910	19,130	19,500	19,105		19,500	
Greece	3,275	3,108	3,138	3,270	3,337		3,350	
Ireland	477	471	446	550	458		500	
Italy	11,507	12,079	12,084	12,150	12,618		13,000	
Luxembourg	565	564	566	500	615		620	
Netherlands	7,120	6,828	6,889	7,100	6,321		6,500	
Norway	1,892	1,816	1,789	1,900	1,791		1,800	
Portugal	2,754	3,097	3,360	3,200	3,500		3,600	
Spain	16,235	17,647	19,934	18,400	19,150		19,300	
Sweden	2,271	2,251	1,891	2,250	1,800		1,800	
Switzerland	3,969	3,856	3,636	3,950	3,600		3,600	
Turkey	4,182	3,003	3,102	3,200	2,751		3,600	
United Kingdom	2,153	2,462	2,651	2,700	2,700		2,800	
Central and Eastern European countries	6,278	7,237	6,791	7,400	7,629		7,980	
Other countries	530	529	616	500	609		650	
Subtotal	105,607	108,010	108,532	111,422	108,598		111,900	
Less: Adjustment					0			
Total Europe - Region V	105,607	108,010	108,532	111,422	108,598	110,000	111,900	114,000
Total all regions - National Committees	129,165	131,804	131,780	136,542	133,902	134,800	138,038	141,200

Annex II (continued)

PRODUCT LINE AND MARKETING: CARD SALES BY REGION, 1993 - 1997 UNICEF FIELD OFFICES

(In thousands of cards)

Country/region	1993 Actual	1994 Actual	1995 Actual	1996 Budget	1996 Latest estimates a/	1997 Forecast Low	1997 Forecast Medium	1997 Forecast High
Argentina	705	1,070	904	1,600	700		1,170	
Brazil	5,152	5,563	5,107	6,100	5,400		5,600	
Chile	188	143	207	300	223		300	
Colombia	1,271	1,295	1,592	1,600	1,406		1,750	
Ecuador	457	521	497	550	552		600	
Mexico	524	614	665	1,000	780		1,000	
Peru	583	666	834	960	900		1,146	
Uruguay	438	432	376	460	380		420	
Venezuela	164	152	196	262	247		350	
Other countries	1,099	1,163	1,218	1,200	1,317		1,558	
Subtotal	10,581	11,619	11,596	14,032	11,905		13,894	
Less: Adjustment				-882				
Total Latin America & Caribbean - Region II	10,581	11,619	11,596	13,150	11,905	13,000	13,894	15,000
Indonesia	806	766	860	1,200	900		1,100	
Malaysia	252	360	107	400	200		350	
Philippines	471	562	700	700	820		900	
Singapore	241	263	168	300	280		200	
Thailand	322	406	365	550	470		500	
Other countries	619	578	561	346	623		625	
Subtotal	2,711	2,935	2,761	3,496	3,293		3,675	
Less: Adjustment				-56				
Total Asia - Region III	2,711	2,935	2,761	3,440	3,293	3,500	3,675	3,800
India	5,585	6,064	6,867	8,320	6,800		4,900	
Pakistan	653	690	749	840	800		830	
Other countries	31	40	28	0	40		35	
Subtotal	6,269	6,794	7,644	9,160	7,640		5,765	
Less: Adjustment				-1,345				
Total Pacific, India & Pakistan - Region IV	6,269	6,794	7,644	7,815	7,640	5,500	5,765	6,000
Morocco	615	604	478	805	468		500	
Nigeria	921	804	676	1,500	844		900	
Other countries	3,409	3,351	3,494	3,375	3,719		3,730	
Subtotal	4,945	4,759	4,648	5,680	5,031		5,130	
Less: Adjustment				-585				
Total Africa & MENA - Region VI	4,945	4,759	4,648	5,095	5,031	4,800	5,130	5,400
Total All Regions	24,506	26,107	26,649	32,368	27,869	26,800	28,464	30,200
Less: Adjustment				-2,868	0		0	
Total all regions - field offices (after adjustments)	24,506	26,107	26,649	29,500	27,869	26,800	28,464	30,200
Total all regions - National Committees	129,165	131,804	131,780	136,542	133,902	134,800	138,038	141,200
Grand total	153,671	157,911	158,429	166,042	161,771	161,600	166,502	171,400

MENA = Middle East and North Africa

a/ As of 18 February 1997.

Annex III

PRIVATE SECTOR FUND-RAISING NET PROCEEDS: 1993-1995 ACTUAL, 1996 APPROVED, 1996 LATEST ESTIMATES AND 1997 PROPOSED

(In thousands of United States dollars)

National Committees	1993 Actual			1994 Actual			1995 Actual			1996 Budget			1996 Latest estimates			1997 Proposed			
	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	
Australia	479	130	609		975	975		583	583		1,000	1,000		1,000	1,000		1,200	1,200	
Austria			-		514	514	1,115	847	1,962	1,200	200	1,400	1,400	600	2,000	1,400	600	2,000	
Belgium	672		672	4,452		4,452	2,775	793	3,568	4,000		4,000	2,600	600	3,200	2,800	700	3,500	
Canada a/			-						-		5,500	5,500			-			-	
Czech Republic			-						-			-	151		151	188		188	
Cyprus	17		17	25		25	16		16	25		25		25	25		25	25	
Denmark	156	186	342	275		275	146	71	217	135	200	335	300	100	400	400	100	500	
Finland	20	1,228	1,248	310	1,628	1,938		1,473	1,473	380	1,520	1,900		700	700		700	700	
France	14,200		14,200	15,062	2,267	17,329	13,100	2,054	15,154	18,400		18,400	14,500	2,500	17,000	16,000	2,500	18,500	
Germany	9,613	6,409	16,022	20,034	20,079	40,113	17,789	20,507	38,296	19,788	19,012	38,800	18,700	18,000	36,700	18,000	20,000	38,000	
Greece	579	10	589	885	346	1,231	911	172	1,083	960	640	1,600	960	640	1,600	1,000	500	1,500	
Hong Kong	1,482	747	2,229	1,824	1,847	3,671	2,696	1,394	4,090	3,000	1,500	4,500	2,500	1,500	4,000	2,700	1,700	4,400	
Hungary	31		31					10	10		119	119	40		40	40		40	
Ireland			-	128	243	371	246		246			-	230		230	400		400	
Israel			-	25		25			-			-			-			-	
Italy	9,843	1,058	10,901	10,425	3,565	13,990	8,774	4,277	13,051	13,163	1,414	14,577	12,000	2,500	14,500	13,000	2,000	15,000	a/
Japan	15,811	6,984	22,795	20,838	10,087	30,925	23,748	9,335	33,083	29,900	4,600	34,500	29,900	4,600	34,500	30,000	5,000	35,000	a/
Luxembourg	227	142	369	274	24	298	201	486	687	274	26	300	230	70	300	250	50	300	
Netherlands		3,242	3,242	1,473	40,164	41,637	17,136	13,522	30,658	39,240	8,560	47,800	15,250	15,250	30,500	17,000	14,500	31,500	
New Zealand	105	63	168	12	124	136	77	45	122	30	150	180	60	38	98	80	40	120	
Norway	22	52	74	10		10	42	25	67	11		11	100		100	100		100	
Poland			-				45		45		130	130	20		20	20		20	
Portugal	151	270	421	125	105	230	794	7	801	638	212	850	500		500	500	50	550	a/
Romania			-				9		9			-			-			-	
Republic of Korea	1,527	462	1,989	2,358	586	2,944	2,394	611	3,005	2,700	600	3,300	2,500	600	3,100	2,700	600	3,300	
Slovakia			-				1		1			-	85		85	100		100	
Slovenia			-					9	9		100	100	25		25	89		89	
Spain			-		933	933	3,128	13,563	16,691	1,000	12,500	13,500	5,000	11,000	16,000	5,000	11,000	16,000	
Sweden	18	186	204	87	775	862	363	645	1,008	1,100		1,100	500	470	970	500	300	800	
Switzerland	4,073	3,799	7,872	5,379	4,876	10,255	4,887	3,911	8,798	5,520	3,680	9,200	4,500	2,700	7,200	5,500	3,000	8,500	
Turkey	10		10	10	6	16	12	39	51	19		19	19		19	30		30	
United Kingdom	149	4,591	4,740		6,953	6,953		9,720	9,720	1,000	6,000	7,000	1,000	6,000	7,000	1,000	7,000	8,000	
United States		8,885	8,885		11,277	11,277		8,402	8,402		20,000	20,000		11,300	11,300		10,000	10,000	
Others			-		5	5			-			-			-			-	
Total National Committees	59,185	38,444	97,629	84,011	107,379	191,390	100,405	92,501	192,906	142,483	87,663	230,146	113,070	80,193	193,263	118,797	81,565	200,362	

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Annex III (continued)

(In thousands of United States dollars)

	1993 Actual			1994 Actual			1995 Actual			1996 Budget			1996 Latest estimates			1997 Proposed		
	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total
UNICEF field offices																		
Argentina		442	442		1,512	1,512		1,673	1,673		1,900	1,900		1,551	1,551		1,176	1,176
Brazil		1,082	1,082	44	8,915	8,959		9,308	9,308		11,000	11,000		8,993	8,993		9,040	9,040
Chile									-		140	140		189	189		462	462
Colombia									-		262	262		302	302		414	414
Ecuador	1	15	16	20	78	98		10	10		257	257		73	73		209	209
Mexico		428	428	187		187	254		254		581	581		586	586		1,063	1,063
Morocco									-		300	300		58	58		166	166
Nigeria									-		374	374		75	75		156	156
Peru					10	10		116	116		600	600		532	532		663	663
Philippines									-		1,586	1,586		843	843		940	940
Thailand				6	26	32			-		1,365	1,365		727	727		1,603	1,603
Venezuela	4		4	20	16	36	2	3	5		383	383		287	287		300	300
Other countries	21	68	89	8	43	51	50	6	56			-			-			-
Total UNICEF field offices	26	2,035	2,061	285	10,600	10,885	306	11,116	11,422	-	18,748	18,748		14,216	14,216		16,192	16,192
Less: House list - appeal costs											(790)			(610)			(495)	
Net UNICEF field offices											17,958			13,606			15,697	
Total National Committees	59,185	38,444	97,629	84,011	107,379	191,390	100,405	92,501	192,906	142,483	87,663	230,146	113,070	80,193	193,263	118,797	81,565	200,362
Less: Adjustment										(12,483)	18,700					3		
Grand Total	59,211	40,479	99,690	84,296	117,979	202,275	100,711	103,617	204,328	130,000	124,321	254,321	113,070	93,799	206,869	118,800	97,262	216,062

a/ As per the Canadian Committee's decision, the net proceeds for private sector fund-raising are not reported through GCO books. The 1996 latest estimates net proceeds are estimated at $5.5 million for supplementary funds.
For 1997, it is estimated that net proceeds will be approximately the same as 1996.
b/ The Committee received in 1995 the first installment of a large legacy ($9 million) not recorded in GCO books. The second installment is likely to come in 1997.
c/ The 1997 proposed figures are based on a conservative approach as it has been more and more difficult to obtain large prospecting lists which, as per the Committee's decision, must be used with an endorsement letter from the list owner.
d/ The Committee wants to quote very conservative figures, but GCO is confident that the Committee will reach a contribution level at least equal to 1995.

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Annex IV

POST CHANGES: GCO

Detail	Posts level							Total IP	NO	GS	Grand total
	D2/L7	D1/L6	P5/L5	P4/L4	P3/L3	P2/L2	P1/L1				
Base PAT 1996	1	3	13	25	33	12	1	88	30	136	254
Establish and abolish								0			0
Product Line and Marketing			-2					-2			-2
Private Sector Fund-raising					1	1		2		-1	1
Operations and Finance				-1		-1		-2		-2	-4
RSCs and UNICEF field offices								0	-1	8	7
Total change, GCO	0	0	-2	-1	1	0	0	-2	-1	5	2
Reclassifications, GCO											
Private Sector Fund-raising				-1	2	-1		0			0
Total reclassification, GCO	0	0	0	-1	2	-1	0	0	0	0	0
Deployments from GCO											
Private Sector Fund-raising			-1	-1	-2	-1	-1	-6		-5	-11
Total deployment from GCO	0	0	-1	-1	-2	-1	-1	-6	0	-5	-11
Deployments within GCO											
Director's Office										-1	-1
Product Line and Marketing					1					-1	-1
Private Sector Fund-raising										1	1
Operations and Finance					-1					1	1
Total deployment within GCO	0	0	0	0	0	0	0	0	0	0	0
Total changes, reclassifications, deployments	0	0	-3	-3	1	-2	-1	-8	-1	0	-9
Total, Proposed 1997	1	3	10	22	34	10	0	80	29	136	245

GS = General Service; IP = international Professional; NO = national officer;
PAT = post authorization table; RSCs = regional support centres.

Annex V

DETAILS OF INTERNATIONAL PROFESSIONAL POST CHANGES (ESTABLISH/ABOLISH/TRANSFER)

PAT number	Duty station	Post title	Functional group	Level	Type of action	Count
02009	NY	Senior Product Development Officer	Product Line and Marketing	L-5	Abolish	-1
93476	GE	Chief, Product Development	Product Line and Marketing	L-5	Abolish	-1
93481*	NY	Chief, Special Projects	Private Sector Fund-raising	L-5	Transfer	-1
87413	NY	Planning Officer	Operations and Finance	P-4	Abolish	-1
93820*	NY	Special Events Officer	Private Sector Fund-raising	L-4	Transfer	-1
90381*	NY	Design Officer	Private Sector Fund-raising	L-3	Transfer	-1
89807*	NY	Special Events Officer	Private Sector Fund-raising	L-3	Transfer	-1
GCO97006	GE	Fund-raising Officer	Private Sector Fund-raising	L-3	Establish	1
86517	NY	Programmer	Operations and Finance	P-2	Abolish	-1
GCO97005	NY	Assistant Fund-raising Analysis Officer	Private Sector Fund-raising	L-2	Establish	1
89809*	NY	Assistant Special Events Officer	Private Sector Fund-raising	L-2	Transfer	-1
93468*	NY	Assistant Special Projects Officer	Private Sector Fund-raising	L-1	Transfer	-1
Total						-8

DETAILS OF INTERNATIONAL PROFESSIONAL POST RECLASSIFICATIONS BY GRADE AND OFFICE: 1997 PROPOSED

PAT number	Duty station	Post title	Functional group	1996 Level	1997 Level
93465	NY	Fund-raising Material Coordinator	Private Sector Fund-raising	L-4	L-3
91537	NY	Assistant Project Officer	Private Sector Fund-raising	L-2	L-3
Total					2

* Transfer to Division of Communication.
PAT = Post authorization table.

Annex VI

COMPARISON OF POSTS FOR GCO: 1996 APPROVED BUDGET VERSUS 1997 PROPOSED BUDGET

	Posts level							Total			Grand
	D2/L7	D1/L6	P5/L5	P4/L4	P3/L3	P2/L2	P1/L1	IP	NO	GS	total
Director's Office											
Approved 1996	1		1					2		2	4
Proposed 1997	1		1					2		1	3
Change	0	0	0	0	0	0	0	0	0	-1	-1
Product Line and Marketing											
Approved 1996		1	4	4	10	5		24		30	54
Proposed 1997		1	2	4	11	5		23		29	52
Change	0	0	-2	0	1	0	0	-1	0	-1	-2
Private Sector Fund-raising											
Approved 1996		1	2	4	5	2	1	15		15	30
Proposed 1997		1	1	2	6	1		11		10	21
Change	0	0	-1	-2	1	-1	-1	-4	0	-5	-9
Operations and Finance											
Approved 1996		1	4	11	17	5		38		56	94
Proposed 1997		1	4	10	16	4		35		55	90
Change	0	0	0	-1	-1	-1	0	-3	0	-1	-4
Total, GCO Headquarters											
Approved 1996	1	3	11	19	32	12	1	79	0	103	182
Proposed 1997	1	3	8	16	33	10	0	71	0	95	166
Change	0	0	-3	-3	1	-2	-1	-8	0	-8	-16
RSCs and UNICEF field offices											
Approved 1996			2	6	1			9	30	33	72
Proposed 1997			2	6	1			9	29	41	79
Change	0	0	0	0	0	0	0	0	-1	8	7
Total, GCO Headquarters, RSCs and UNICEF field offices											
Approved 1996	1	3	13	25	33	12	1	88	30	136	254
Proposed 1997	1	3	10	22	34	10	0	80	29	136	245
Change	0	0	-3	-3	1	-2	-1	-8	-1	0	-9

GS = General Service; IP = international Professional; NO = national officer;
RSCs = regional support centres.